



# WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM JS  
Finance BN  
DA LA ✓  
Risk Mgmt. DT  
HR N/A  
Other N/A

## STAFF REPORT

BOARD MEETING DATE: September 9, 2014

**DATE:** August 11, 2014  
**TO:** Board of County Commissioners  
**FROM:** Wendy Pitts, Washoe County Property Program Manager,  
Community Services Department, 328-2045 [wpitts@washoecounty.us](mailto:wpitts@washoecounty.us)  
**THROUGH:** Dave Solaro, Arch., P.E., Director  
Community Services Department, 328-2040, [dsolaro@washoecounty.us](mailto:dsolaro@washoecounty.us)  
**SUBJECT:** Approve a Parking Management Agreement between Washoe County (Owner) and Propark America West LLC (Manager), retroactive to July 1, 2014 [in the annual amount of \$39,306], granting authority for the daily management, billing and enforcement of parking for Washoe County employees, and the authorized users of the Liberty Garage located at 220 S. Center Street, as authorized under NRS 244.294. (Commission District 3.)

### SUMMARY

Approval of the proposed Parking Management Agreement will allow the County to enter into an agreement with Propark America West LLC, to provide the County with professional management services for the allocation of permits, billing and collections of fees related to outside users at the Liberty Center Parking Garage located at 220 S. Center Street.

This agreement will fulfill the internal audit report process improvement recommendation related to parking permit applications and parking fee billing/collection (audit finding number 7). This agreement is being brought retroactively to July 1, 2014 to align with the fiscal year. Service was provided and paid month to month for June, July and August as negotiations on the agreement took longer than anticipated.

The proposed work includes an on-site attendant for one hour per day during the week as well as the point of contact for all outside users that require Parking Permits, their billing and the collection of parking fees. This action is authorized under Nevada Revised Statutes 244.294, Subsection (3).

Washoe County Strategic Objective supported by this item: Sustainability of our financial, social and natural resources.

### PREVIOUS ACTION

None related to the administration and parking management of the Liberty Center Garage.

AGENDA ITEM # 8C2

## **BACKGROUND**

The Board of County Commissioners acquired the Liberty Garage located at 220 S. Center Street in conjunction with the office building located at 350 S. Center in June 2004, to provide office and parking for the critical downtown user groups including Social Services, Public Defender, Alternate Public Defender and the Sheriff's Work Program. The Liberty Garage also accommodates the downtown Library staff vehicles and county cars.

The Board of County Commissioners has provided parking for the employee groups that work and park in the downtown area as part of the bargaining agreement for many years. The Liberty Center Garage fulfills the majority of the parking allocation needs for the above mentioned user departments since its acquisition.

Additionally, the Liberty Garage also provides parking to tenants located within the 200 S. Virginia Street building through an underlying agreement, which requires the outside tenants to pay for parking in the County facility. The fiscal management of the collection and billing of the outside users was identified as a process improvement item during the recently performed internal audit (finding number 7). The management company will handle those processes in addition to processing the applications and assignment of parking permits.

Propark America West has a long and focused history of providing professional parking management services in the downtown Reno area. They currently manage the Parking Galleria, (for the Reno Redevelopment Agency), and the parking at 50 W. Liberty and at 200 E. 2<sup>nd</sup> Street.

This agreement is for a three (3) year term, commencing retroactively to July 1, 2014, and will terminate on June 30, 2017, unless terminated earlier as allowed within the agreement. The Agreement authorizes Propark to contract with outside users from 200 S. Virginia Street, distribute parking passes, bill for all charges including late fees, enforce violations by applying stickers and, upon direction from the management team, to tow any offenders.

The parking management company shall deliver a monthly report and deposit the net revenues into the County's general fund, (fees for the management contract are to be deducted from the revenues prior to submitting the remainder of each month's billing to the County). There is a 30 day no cause termination clause, for any reason, at any time.

## **FISCAL IMPACT**

The Parking agreement is a net revenue contract. Compensation for management services by Propark shall be made monthly in the amount of approximately Three Thousand Two Hundred Seventy Five dollars (\$3,275) by a deduction from parking revenues collected. The remainder will be deposited into the County's General Fund in the CSD cost center 105000-485310. The annual not-to-exceed amount for services outlined under the terms of the agreement is \$39,306.

## **RECOMMENDATION**

It is recommended the Board of County Commissioners approve a Parking Management Agreement between Washoe County (Owner) and Propark America West LLC (Manager), retroactive to July 1, 2014 [in the annual amount of \$39,306], granting authority for the daily management, billing and enforcement of parking for Washoe County employees, and the

authorized users of the Liberty Garage located at 220 S. Center Street, as authorized under NRS 244.294.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve a Parking Management Agreement between Washoe County (Owner) and Propark America West LLC (Manager), retroactive to July 1, 2014 [in the annual amount of \$39,306], granting authority for the daily management, billing and enforcement of parking for Washoe County employees, and the authorized users of the Liberty Garage located at 220 S. Center Street, as authorized under NRS 244.294."

## **PARKING MANAGEMENT AGREEMENT**

THIS AGREEMENT ("Agreement") entered into as of this 1st day of July, 2014 by and between Washoe County a political subdivision of the State of Nevada with a mailing address of PO Box 11130, Reno, NV 89520 (herein referred to as "OWNER") and Propark America West, LLC, a Connecticut limited liability company and having its place of business at One Union Place, Hartford, Connecticut 06103, (herein referred to as "MANAGER").

### **WITNESSETH:**

**1. Agreement Purpose.** OWNER hereby contracts with MANAGER under the terms, conditions, and provisions set forth in this Agreement for MANAGER to operate a certain parking facility located at 220 South Center Street, Reno, Nevada 89501 commonly known as Liberty Center Garage, which hereinafter will be referred to as the ("Parking Facility").

**2. Term.** The term of this Agreement shall be effective as of July 1, 2014 and continue for a period of three (3) years thereafter ("Term"), continuing thereafter from year-to-year unless and until written notice of non-renewal is given by either party no less than thirty (30) days prior to the expiration of the initial Term or then current extension term. During this time, either party may terminate service as provided in section 3, below.

**3. Termination.** Either party may terminate this Agreement under the following circumstances:

- a. Either party may terminate this Agreement, for any or no reason, given thirty (30) days prior written notice to the other party.
- b. Either party may terminate this Agreement in the event the other party files a voluntary petition or similar pleading for bankruptcy, insolvency, receivership or makes an assignment for the benefit of creditors, with such termination to be effective upon giving notice.
- c. Upon the breach by the other party of any covenant, term or condition hereof provided the breaching party first receives written notice of such breach and fails to remedy same as follows: i) within fifteen (15) days if a monetary breach; ii) within thirty (30) days if a non-monetary breach;

**4. Definition of Gross Revenues, Operating Expenses, Direct Expenses and Operating Surplus.** Gross Revenues, Operating Expenses, and Operating Surplus are defined as follows:

- a. "Gross Revenues" shall include all parking revenues derived by MANAGER or OWNER from the Parking Facility. Any Gross Revenue from the Parking Facility collected directly by OWNER shall be accurately reported to MANAGER.
- b. "Operating Expenses" shall include all ordinary expenses of operating the Parking Facility as stated in Schedule "C" attached.

Some Annual Operating Expense categories are estimates and may be higher or lower than indicated. Total Annual Operating Expenses shall not exceed the total outlined in Schedule "C"; however, in the event any government-mandated cost (such as a required wage, minimum wage, payroll tax, insurance premium, assessment, contribution, benefit, or fee) is imposed, increased, adjusted, or newly introduced with respect to work performed by Manager for Owner, Manager will

notify Owner and add it, without markup, as an Operating Expense, unless and until Owner and Manager adopt a new rate or fee schedule.

Operating Expenses shall not include any capital improvements, maintenance or repair costs required of Owner. Those costs shall be considered a Direct Expense (as defined below) and shall be the sole responsibility of Owner.

Labor hours requested by Owner above and beyond what is stated in this Agreement shall be included as an additional Operating Expense and billed at a rate of eleven dollars and twenty-nine cents (\$11.29) per labor hour.

- c. "Direct Expenses" are those designated expenses arising from the operation of the Parking Facility which shall not be deemed Operating Expenses and which shall therefore be borne by the respective parties. The Direct Expenses of the MANAGER are those set forth in Schedule "A" to the Agreement and incorporated by reference herein. The Direct Expenses of OWNER are set forth in Schedule "B" attached to the Agreement and incorporated by reference herein.
- d. "Operating Surplus" shall be defined as "Gross Revenues" less the "Operating Expenses."

**5. Additional Services.** In addition to the daily operation of the Parking Facility, MANAGER's services shall include consulting and advisory services to OWNER concerning the Parking Facility. These services shall be provided without additional charge except for reimbursement of pre-approved out of pocket expenses such as postage, printing and supply charges, mileage, phone charges, drafting expenses in connection with the performance of services requested or required by OWNER, and any other similar out of pocket expenses. MANAGER shall document and support such expenses by cash receipts or other documentary proof of payment.

**6. Collection of Receipts and Compensation to MANAGER.** MANAGER covenants that it will collect or cause to be collected all fees and charges for use of the Parking Facility (hereafter "Receipts") that are not otherwise collected directly by OWNER. OWNER shall notify MANAGER of any Receipts collected directly by OWNER. The fees and charges collected by MANAGER shall be promptly deposited into MANAGER's bank account and a duly validated deposit receipt shall be provided to OWNER. MANAGER shall thereafter, on or before the twentieth (20th) day of the month, disperse the Receipts for each prior month's operation as follows:

- a. MANAGER shall pay all Operating Expenses as defined in Paragraph 4b and Schedule "C" attached;
- b. After payment of the amounts as directed in (a) above, the balance of the Receipts from the Parking Facility shall be paid to OWNER.

**7. MANAGER'S Report.** MANAGER agrees that it will keep complete records of all receipts and disbursements pertaining to the operation of the Parking Facility. On or before the twentieth (20th) day of each month (beginning with the second month of the Term of this Agreement) MANAGER shall render to the OWNER a complete accounting ("Manager's Report") of all receipts and disbursements for the preceding month(s) and render payment to OWNER under Paragraph 6.b. of this Agreement if any such payment is due. OWNER and/or its representative shall have the right to audit MANAGER'S books and records relating to the Parking Facility upon reasonable notice. On the twentieth (20th) day of the month following the termination or expiration of this Agreement MANAGER shall render to OWNER a

preliminary Manager's Report with the final Manager's Report due within sixty (60) days following the termination or expiration date.

**8. Insufficiency of Receipts.** If the Receipts for any month are insufficient to make the payments required by Section 6, subparagraph (a) above, OWNER agrees to remit to MANAGER the amount of such deficit within twenty (20) days after receipt of Manager's Report of Receipts. In the event OWNER fails to reimburse MANAGER within said twenty (20) day period, and OWNER does not remedy such failure within five (5) days of receipt of written notice from MANAGER, then MANAGER shall have the right to terminate this Agreement with immediate effect.

**9. Standard of Operation.** MANAGER agrees to operate the Parking Facility in an efficient and professional manner one (1) hour per day, Monday through Friday or during the hours directed by OWNER up to a maximum of five (5) hours per week. MANAGER shall provide one (1) parking attendant to greet customers, verify parking credentials and pick up litter during the time periods specified above. MANAGER further agrees that rates for parking in the Parking Facility shall be approved in advance by OWNER; such rates shall not be varied without written approval of the OWNER.

**10. Permits and Licenses.** MANAGER shall use commercially reasonable efforts to obtain under OWNER'S name and maintain, in full force and effect, throughout the term hereof any and all permits and licenses required by any public or quasi-public authority for the use of the Parking Facility as a public parking facility. This Agreement shall automatically terminate in the event any licenses or permits lapse due to no fault of MANAGER.

**11. Relationship of Parties.** Nothing in this Agreement shall be construed as creating a partnership, employer/employee relationship or joint venture between OWNER and MANAGER. Except as set forth in the Agreement, neither party hereto shall have the right or authority to bind or obligate the other party in any manner whatsoever or expressly or impliedly incur any liability or obligation on behalf of the other party, nor shall OWNER be liable for any debts incurred by MANAGER or for non pre-approved Operating Expenses or supplies not outlined in Schedule "C".

**12. Additional Responsibilities of the Parties.**

- a. OWNER agrees to maintain the sidewalks and curbs adjacent to the Parking Facility in accordance with applicable municipal statutes.
- b. OWNER shall be responsible for all normal maintenance and repairs of the Parking Facility including but not limited to, power sweeping, power washing, lighting repairs & bulb replacement, fire control system maintenance, snow removal, HVAC maintenance, repainting of stall markings, replacement or repair of signs and parking access and revenue control equipment. Owner shall also be responsible for all repairs of a structural nature, including but not limited to: electrical, drainage, sewage, plumbing, pavement repair, painting of the structure, repairs to the walls and floors of the Parking Facility, and maintenance of the ventilation system and elevators.
- c. MANAGER agrees to use commercially reasonable diligence in the care and protection of the Parking Facility during the Term of this Agreement. OWNER acknowledges that MANAGER is not a security company and does not employ personnel for that purpose. MANAGER assumes no liability or responsibility with respect to injuries, damage or costs sustained to any person or property as a result of it's alleged failure to warn, guard or protect persons or property in or about the Parking Facility from and against intentional threats, harm

or injury except for the negligent or intentionally committed acts of or by MANAGER or it's employees.

- d. Any structural, mechanical, electrical or other installations or any alterations required by statutes or regulations pertaining to air quality, environmental protection, provisions for persons with disabilities or other similar governmental requirements shall be the sole responsibility of OWNER.
- e. MANAGER agrees to keep the Parking Facility at all times clean, presentable and sanitary condition pursuant to the standard of operations set forth in Section 9 above and not to permit anything thereon which would compromise any insurance carried by the OWNER on the Parking Facility.
- f. MANAGER further agrees to comply with all government laws, ordinances and regulations pertaining to the conduct of MANAGER's business thereon.

**13. Insurance Carried by MANAGER.** MANAGER agrees to carry public liability insurance in such amounts as shown below, to pay all premiums thereon when due, and cause such insurance to include the OWNER as additional insured.

- a. Commercial General Liability: \$2,000,000 combined single limit each occurrence for bodily injury and property damage. These limits may be supplemented by an Umbrella Policy.
- b. Garage Keepers Legal Liability: \$1,000,000 combined single limit each occurrence
- c. Worker's Compensation:  
Policy Limits: As Required by Law

**14. Indemnification.** OWNER assumes no liability or responsibility with respect to injuries, damages or costs sustained to any person or property as a result of MANAGERS operations hereunder, including but not limited to damage to vehicles, except for such injuries, damages or costs sustained by reason of the negligence or willful misconduct of OWNER it's agents or employees. MANAGER shall indemnify, defend, and hold OWNER and its respective officers, employees, partners, members or agents (the "Indemnitees"), harmless from all claims, demands, costs, expenses, and causes of action, including attorney's fees and costs of suit, incurred by any such Indemnitees, and resulting from the acts, omissions or breach of contract or violation of law by MANAGER or it's agents, officers or employees.

MANAGER assumes no liability or responsibility with respect to injuries, damages or costs sustained to any person or property as a result of OWNERS operations hereunder, except for such injuries, damages or costs sustained by reason of the negligence or willful misconduct of MANAGER it's agents or employees. OWNER shall indemnify, defend, and hold MANAGER and its respective Indemnitees, harmless from all claims, demands, costs, expenses, and causes of action, including attorney's fees and costs of suit, incurred by any such Indemnitees, and resulting from the acts, omissions or breach of contract or violation of law by OWNER or it's agents, officers or employees.

**15. Parking Facility.** It is agreed that any actions, costs, claims, losses, expenses, and/or damages resulting from the Parking Facility's design, structural faults or defects are the responsibility of the OWNER.

**16. Compliance with Laws.** MANAGER agrees to manage, operate, and promote the use of the Parking facility in accordance with all local state and federal laws and government regulations.

**17. Employees.** OWNER and MANAGER agree that, during the term of this Agreement, all personnel employed by MANAGER to operate the Parking Facility shall be solely the employees of MANAGER and shall have no contractual relationship with OWNER. In addition, OWNER and MANAGER agree, during the term of this Agreement, that neither will enter into any negotiations, communications, or other actions which have as their intended consequence to induce any such person employed by the MANAGER or OWNER to enter the employ of the other, in any capacity whatsoever.

**18. General.**

- a. Assignment. Neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party. Such consent shall not be unreasonably withheld.
- b. It is understood that this Agreement shall be binding upon and inure to the benefits of the heirs, personal representatives, successors and assigns of the parties.
- c. Notwithstanding all provisions of this Agreement, it is mutually understood between the parties hereto, that this Agreement shall not in any way be construed to be a lease, but is merely a recitation of contract provisions.
- d. Notice to both OWNER and MANAGER shall be sent by certified mail, return receipt requested, to the following addresses:

If to OWNER

Wendy Pitts  
Washoe County  
PO Box 11130  
Reno, NV 89520

If to MANAGER:

Senior Vice President  
Propark America West, LLC.  
156 Ellis Street  
San Francisco, CA 94102

With a copy to:

Chief Administrative Officer  
Pro Park, Inc.  
One Union Place  
Hartford, CT 06103

- e. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Parking Facility is located.
- f. Modifications. No modification, amendment, supplement to or waiver of this Agreement or any Schedule hereunder, or any of their provisions shall be binding upon the parties hereto unless made in writing and duly signed by both parties.
- g. Waiver. A failure of either party to exercise any right provided for herein, shall not be deemed to be a waiver of any right hereunder.



- h. Complete Agreement. This Agreement and each Schedule attached hereto set forth the entire understanding of the parties as to the subject matter therein and may not be modified except in a writing executed by both parties.
- i. Severability. In the event any one or more of the provisions of this Agreement or of any Schedule is invalid or otherwise unenforceable, the enforceability of remaining provisions shall be unimpaired.
- j. Limited Agent. MANAGER shall act as the limited agent of OWNER for the sole purpose of procuring services, supplies, materials and other tangible personal property from third party suppliers, regardless of whether such services or items of property are delivered to OWNER or are used or consumed in the course of the MANAGER's services rendered hereunder. MANAGER shall procure such services and items of tangible personal property using a written agreement, purchase order or similar documentation that identifies OWNER as the principal and MANAGER as the agent in procuring such services or property on OWNER's behalf, and any such tangible personal property procured by MANAGER in its capacity as limited agent shall be the property of OWNER.
- k. Force Majeure. MANAGER shall not be liable for any delay or default in rendering service hereunder where occasioned by any cause beyond its reasonable control; including, but not limited to: armed conflict or economic dislocation resulting therefrom; strikes; civil disorders of any kind; action of civil or military authorities (including priorities and allocations); fires, floods, earthquakes and any other natural disasters.
- l. Attorney's Fees. If litigation is commenced by either party hereto against the other to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover all of its costs and other expenses of such litigation, including reasonable attorney's fees. The amount so allowed, as attorney's fees and costs shall be charged to the losing party as costs of suit.

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed this Agreement as of the date first written above.

MANAGER:

OWNER:

\_\_\_\_\_  
Richard P. DiPietro

ITS: President

Date: \_\_\_\_\_

Propark America West, LLC.

\_\_\_\_\_  
David Humke,

ITS: Chairman, Washoe County Commission

Date: \_\_\_\_\_

Washoe County, a political subdivision of  
the state of Nevada

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2014 before me a Notary Public in and for the County of \_\_\_\_\_, State of \_\_\_\_\_, personally appeared Richard P. DiPietro, proved to me to be the person described herein and who executed the foregoing instrument and who acknowledged to me that he executed the same freely and voluntarily on behalf of the individual for the uses and purposes therein mentioned.

\_\_\_\_\_  
Notary Public

SCHEDULE "A"  
DIRECT EXPENSES OF MANAGER

1. Salaries, travel and accommodation expenses of all executive personnel of MANAGER.
2. General and administrative expenses of MANAGER not allocable directly to operations at the Parking Facility.
3. Personal property taxes of MANAGER's property.
4. Settlements, payments or awards on claims arising from the misconduct of MANAGER's employees, servants or agents.

SCHEDULE "B"  
DIRECT EXPENSES OF OWNER

1. Real and personal property taxes of OWNER's property.
2. All claims, expenses and/or damages arising from, or caused by structural or design deficiencies or by improper work or supervision during construction including, without limitation, settlement, collapse or inadequacy of structure or equipment, and all repairs related thereto.
3. Debt service with respect to land, building and equipment.
4. Costs of legal and auditing fees of OWNER.
5. Salaries and wages of all employees of OWNER.
6. Costs incurred by OWNER in the supervision of obligations of MANAGER.
7. Costs of maintaining elevators, sprinkler and ventilation systems.
8. Utilities expense of the Parking Facility.
9. Capital expenditures, improvements, alterations, additions and all new equipment, including all architectural and engineering fees in connection therewith.
10. Cost of payroll and equipment of OWNER's security personnel.
11. Costs of premiums for fire and extended coverage insurance.
12. Normal maintenance and repairs of the Parking Facility including but not limited to, power sweeping, power washing, lighting repairs & bulb replacement, Fire Control System maintenance, snow removal, HVAC maintenance, repainting of stall markings, replacement or repair of signs and parking access and revenue control equipment.

SCHEDULE "C"  
ANNUAL OPERATING EXPENSES  
\*Paid on a monthly basis

OPERATING EXPENSES		
	\$/Year	% of Exp
Base Management Fee Expense	\$19,800	50.4%
Data Processing	\$531	1.4%
FICA	\$137	0.3%
FUTA	\$12	0.0%
Health Insurance & Expense - Hourly	\$0	0.0%
Liability Insurance	\$6,182	15.7%
Medicare	\$32	0.1%
Office Supplies	\$300	0.8%
Salaries & Wages	\$2,208	5.6%
Supervisory Fee	\$10,000	25.4%
SUTA	\$53	0.1%
Uniforms & Laundry	\$0	0.0%
Workers Compensation	\$51	0.1%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$39,306</b>	<b>100.0%</b>

## **PARKING MANAGEMENT AGREEMENT**

THIS AGREEMENT ("Agreement") entered into as of this 1st day of July, 2014 by and between Washoe County a political subdivision of the State of Nevada with a mailing address of PO Box 11130, Reno, NV 89520 (herein referred to as "OWNER") and Propark America West, LLC, a Connecticut limited liability company and having its place of business at One Union Place, Hartford, Connecticut 06103, (herein referred to as "MANAGER").

### **WITNESSETH:**

**1. Agreement Purpose.** OWNER hereby contracts with MANAGER under the terms, conditions, and provisions set forth in this Agreement for MANAGER to operate a certain parking facility located at 220 South Center Street, Reno, Nevada 89501 commonly known as Liberty Center Garage, which hereinafter will be referred to as the ("Parking Facility").

**2. Term.** The term of this Agreement shall be effective as of July 1, 2014 and continue for a period of three (3) years thereafter ("Term"), continuing thereafter from year-to-year unless and until written notice of non-renewal is given by either party no less than thirty (30) days prior to the expiration of the initial Term or then current extension term. During this time, either party may terminate service as provided in section 3, below.

**3. Termination.** Either party may terminate this Agreement under the following circumstances:

- a. Either party may terminate this Agreement, for any or no reason, given thirty (30) days prior written notice to the other party.
- b. Either party may terminate this Agreement in the event the other party files a voluntary petition or similar pleading for bankruptcy, insolvency, receivership or makes an assignment for the benefit of creditors, with such termination to be effective upon giving notice.
- c. Upon the breach by the other party of any covenant, term or condition hereof provided the breaching party first receives written notice of such breach and fails to remedy same as follows: i) within fifteen (15) days if a monetary breach; ii) within thirty (30) days if a non-monetary breach;

**4. Definition of Gross Revenues, Operating Expenses, Direct Expenses and Operating Surplus.** Gross Revenues, Operating Expenses, and Operating Surplus are defined as follows:

- a. "Gross Revenues" shall include all parking revenues derived by MANAGER or OWNER from the Parking Facility. Any Gross Revenue from the Parking Facility collected directly by OWNER shall be accurately reported to MANAGER.
- b. "Operating Expenses" shall include all ordinary expenses of operating the Parking Facility as stated in Schedule "C" attached.

Some Annual Operating Expense categories are estimates and may be higher or lower than indicated. Total Annual Operating Expenses shall not exceed the total outlined in Schedule "C"; however, in the event any government-mandated cost (such as a required wage, minimum wage, payroll tax, insurance premium, assessment, contribution, benefit, or fee) is imposed, increased, adjusted, or newly introduced with respect to work performed by Manager for Owner, Manager will

notify Owner and add it, without markup, as an Operating Expense, unless and until Owner and Manager adopt a new rate or fee schedule.

Operating Expenses shall not include any capital improvements, maintenance or repair costs required of Owner. Those costs shall be considered a Direct Expense (as defined below) and shall be the sole responsibility of Owner.

Labor hours requested by Owner above and beyond what is stated in this Agreement shall be included as an additional Operating Expense and billed at a rate of eleven dollars and twenty-nine cents (\$11.29) per labor hour.

- c. "Direct Expenses" are those designated expenses arising from the operation of the Parking Facility which shall not be deemed Operating Expenses and which shall therefore be borne by the respective parties. The Direct Expenses of the MANAGER are those set forth in Schedule "A" to the Agreement and incorporated by reference herein. The Direct Expenses of OWNER are set forth in Schedule "B" attached to the Agreement and incorporated by reference herein.
- d. "Operating Surplus" shall be defined as "Gross Revenues" less the "Operating Expenses."

**5. Additional Services.** In addition to the daily operation of the Parking Facility, MANAGER's services shall include consulting and advisory services to OWNER concerning the Parking Facility. These services shall be provided without additional charge except for reimbursement of pre-approved out of pocket expenses such as postage, printing and supply charges, mileage, phone charges, drafting expenses in connection with the performance of services requested or required by OWNER, and any other similar out of pocket expenses. MANAGER shall document and support such expenses by cash receipts or other documentary proof of payment.

**6. Collection of Receipts and Compensation to MANAGER.** MANAGER covenants that it will collect or cause to be collected all fees and charges for use of the Parking Facility (hereafter "Receipts") that are not otherwise collected directly by OWNER. OWNER shall notify MANAGER of any Receipts collected directly by OWNER. The fees and charges collected by MANAGER shall be promptly deposited into MANAGER's bank account and a duly validated deposit receipt shall be provided to OWNER. MANAGER shall thereafter, on or before the twentieth (20th) day of the month, disperse the Receipts for each prior month's operation as follows:

- a. MANAGER shall pay all Operating Expenses as defined in Paragraph 4b and Schedule "C" attached;
- b. After payment of the amounts as directed in (a) above, the balance of the Receipts from the Parking Facility shall be paid to OWNER.

**7. MANAGER'S Report.** MANAGER agrees that it will keep complete records of all receipts and disbursements pertaining to the operation of the Parking Facility. On or before the twentieth (20th) day of each month (beginning with the second month of the Term of this Agreement) MANAGER shall render to the OWNER a complete accounting ("Manager's Report") of all receipts and disbursements for the preceding month(s) and render payment to OWNER under Paragraph 6.b. of this Agreement if any such payment is due. OWNER and/or its representative shall have the right to audit MANAGER'S books and records relating to the Parking Facility upon reasonable notice. On the twentieth (20th) day of the month following the termination or expiration of this Agreement MANAGER shall render to OWNER a

preliminary Manager's Report with the final Manager's Report due within sixty (60) days following the termination or expiration date.

**8. Insufficiency of Receipts.** If the Receipts for any month are insufficient to make the payments required by Section 6, subparagraph (a) above, OWNER agrees to remit to MANAGER the amount of such deficit within twenty (20) days after receipt of Manager's Report of Receipts. In the event OWNER fails to reimburse MANAGER within said twenty (20) day period, and OWNER does not remedy such failure within five (5) days of receipt of written notice from MANAGER, then MANAGER shall have the right to terminate this Agreement with immediate effect.

**9. Standard of Operation.** MANAGER agrees to operate the Parking Facility in an efficient and professional manner one (1) hour per day, Monday through Friday or during the hours directed by OWNER up to a maximum of five (5) hours per week. MANAGER shall provide one (1) parking attendant to greet customers, verify parking credentials and pick up litter during the time periods specified above. MANAGER further agrees that rates for parking in the Parking Facility shall be approved in advance by OWNER; such rates shall not be varied without written approval of the OWNER.

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**11. Relationship of Parties.** Nothing in this Agreement shall be construed as creating a partnership, employer/employee relationship or joint venture between OWNER and MANAGER. Except as set forth in the Agreement, neither party hereto shall have the right or authority to bind or obligate the other party in any manner whatsoever or expressly or impliedly incur any liability or obligation on behalf of the other party, nor shall OWNER be liable for any debts incurred by MANAGER or for non pre-approved Operating Expenses or supplies not outlined in Schedule "C".

**12. Additional Responsibilities of the Parties.**

- a. OWNER agrees to maintain the sidewalks and curbs adjacent to the Parking Facility in accordance with applicable municipal statutes.
- b. OWNER shall be responsible for all normal maintenance and repairs of the Parking Facility including but not limited to, power sweeping, power washing, lighting repairs & bulb replacement, fire control system maintenance, snow removal, HVAC maintenance, repainting of stall markings, replacement or repair of signs and parking access and revenue control equipment. Owner shall also be responsible for all repairs of a structural nature, including but not limited to: electrical, drainage, sewage, plumbing, pavement repair, painting of the structure, repairs to the walls and floors of the Parking Facility, and maintenance of the ventilation system and elevators.
- c. MANAGER agrees to use commercially reasonable diligence in the care and protection of the Parking Facility during the Term of this Agreement. OWNER acknowledges that MANAGER is not a security company and does not employ personnel for that purpose. MANAGER assumes no liability or responsibility with respect to injuries, damage or costs sustained to any person or property as a result of it's alleged failure to warn, guard or protect persons or property in or about the Parking Facility from and against intentional threats, harm

or injury except for the negligent or intentionally committed acts of or by MANAGER or it's employees.

- d. Any structural, mechanical, electrical or other installations or any alterations required by statutes or regulations pertaining to air quality, environmental protection, provisions for persons with disabilities or other similar governmental requirements shall be the sole responsibility of OWNER.
- e. MANAGER agrees to keep the Parking Facility at all times clean, presentable and sanitary condition pursuant to the standard of operations set forth in Section 9 above and not to permit anything thereon which would compromise any insurance carried by the OWNER on the Parking Facility.
- f. MANAGER further agrees to comply with all government laws, ordinances and regulations pertaining to the conduct of MANAGER's business thereon.

**13. Insurance Carried by MANAGER.** MANAGER agrees to carry public liability insurance in such amounts as shown below, to pay all premiums thereon when due, and cause such insurance to include the OWNER as additional insured.

- a. Commercial General Liability: \$2,000,000 combined single limit each occurrence for bodily injury and property damage. These limits may be supplemented by an Umbrella Policy.
- b. Garage Keepers Legal Liability: \$1,000,000 combined single limit each occurrence
- c. Worker's Compensation:  
Policy Limits: As Required by Law

**14. Indemnification.** OWNER assumes no liability or responsibility with respect to injuries, damages or costs sustained to any person or property as a result of MANAGERS operations hereunder, including but not limited to damage to vehicles, except for such injuries, damages or costs sustained by reason of the negligence or willful misconduct of OWNER it's agents or employees. MANAGER shall indemnify, defend, and hold OWNER and its respective officers, employees, partners, members or agents (the "Indemnitees"), harmless from all claims, demands, costs, expenses, and causes of action, including attorney's fees and costs of suit, incurred by any such Indemnitees, and resulting from the acts, omissions or breach of contract or violation of law by MANAGER or it's agents, officers or employees.

MANAGER assumes no liability or responsibility with respect to injuries, damages or costs sustained to any person or property as a result of OWNERS operations hereunder, except for such injuries, damages or costs sustained by reason of the negligence or willful misconduct of MANAGER it's agents or employees. OWNER shall indemnify, defend, and hold MANAGER and its respective Indemnitees, harmless from all claims, demands, costs, expenses, and causes of action, including attorney's fees and costs of suit, incurred by any such Indemnitees, and resulting from the acts, omissions or breach of contract or violation of law by OWNER or it's agents, officers or employees.

**15. Parking Facility.** It is agreed that any actions, costs, claims, losses, expenses, and/or damages resulting from the Parking Facility's design, structural faults or defects are the responsibility of the OWNER.

**16. Compliance with Laws.** MANAGER agrees to manage, operate, and promote the use of the Parking facility in accordance with all local state and federal laws and government regulations.



**17. Employees.** OWNER and MANAGER agree that, during the term of this Agreement, all personnel employed by MANAGER to operate the Parking Facility shall be solely the employees of MANAGER and shall have no contractual relationship with OWNER. In addition, OWNER and MANAGER agree, during the term of this Agreement, that neither will enter into any negotiations, communications, or other actions which have as their intended consequence to induce any such person employed by the MANAGER or OWNER to enter the employ of the other, in any capacity whatsoever.

**18. General.**

- a. Assignment. Neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party. Such consent shall not be unreasonably withheld.
- b. It is understood that this Agreement shall be binding upon and inure to the benefits of the heirs, personal representatives, successors and assigns of the parties.
- c. Notwithstanding all provisions of this Agreement, it is mutually understood between the parties hereto, that this Agreement shall not in any way be construed to be a lease, but is merely a recitation of contract provisions.
- d. Notice to both OWNER and MANAGER shall be sent by certified mail, return receipt requested, to the following addresses:

If to OWNER                      Wendy Pitts  
   Washoe County  
   PO Box 11130  
   Reno, NV 89520

If to MANAGER:                  Senior Vice President  
   Propark America West, LLC.  
   156 Ellis Street  
   San Francisco, CA 94102

With a copy to:                  Chief Administrative Officer  
   Pro Park, Inc.  
   One Union Place  
   Hartford, CT 06103

- e. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Parking Facility is located.
- f. Modifications. No modification, amendment, supplement to or waiver of this Agreement or any Schedule hereunder, or any of their provisions shall be binding upon the parties hereto unless made in writing and duly signed by both parties.
- g. Waiver. A failure of either party to exercise any right provided for herein, shall not be deemed to be a waiver of any right hereunder.

- h. Complete Agreement. This Agreement and each Schedule attached hereto set forth the entire understanding of the parties as to the subject matter therein and may not be modified except in a writing executed by both parties.
- i. Severability. In the event any one or more of the provisions of this Agreement or of any Schedule is invalid or otherwise unenforceable, the enforceability of remaining provisions shall be unimpaired.
- j. Limited Agent. MANAGER shall act as the limited agent of OWNER for the sole purpose of procuring services, supplies, materials and other tangible personal property from third party suppliers, regardless of whether such services or items of property are delivered to OWNER or are used or consumed in the course of the MANAGER's services rendered hereunder. MANAGER shall procure such services and items of tangible personal property using a written agreement, purchase order or similar documentation that identifies OWNER as the principal and MANAGER as the agent in procuring such services or property on OWNER's behalf, and any such tangible personal property procured by MANAGER in its capacity as limited agent shall be the property of OWNER.
- k. Force Majeure. MANAGER shall not be liable for any delay or default in rendering service hereunder where occasioned by any cause beyond its reasonable control; including, but not limited to: armed conflict or economic dislocation resulting therefrom; strikes; civil disorders of any kind; action of civil or military authorities (including priorities and allocations); fires, floods, earthquakes and any other natural disasters.
- l. Attorney's Fees. If litigation is commenced by either party hereto against the other to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover all of its costs and other expenses of such litigation, including reasonable attorney's fees. The amount so allowed, as attorney's fees and costs shall be charged to the losing party as costs of suit.

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed this Agreement as of the date first written above.

MANAGER:

OWNER:

\_\_\_\_\_  
Richard P. DiPietro

ITS: President

Date: \_\_\_\_\_

Propark America West, LLC.

\_\_\_\_\_  
David Humke,

ITS: Chairman, Washoe County Commission

Date: \_\_\_\_\_

Washoe County, a political subdivision of  
the state of Nevada

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2014 before me a Notary Public in and for the County of \_\_\_\_\_, State of \_\_\_\_\_, personally appeared Richard P. DiPietro, proved to me to be the person described herein and who executed the foregoing instrument and who acknowledged to me that he executed the same freely and voluntarily on behalf of the individual for the uses and purposes therein mentioned.

\_\_\_\_\_  
Notary Public

SCHEDULE "A"  
DIRECT EXPENSES OF MANAGER

1. Salaries, travel and accommodation expenses of all executive personnel of MANAGER.
2. General and administrative expenses of MANAGER not allocable directly to operations at the Parking Facility.
3. Personal property taxes of MANAGER's property.
4. Settlements, payments or awards on claims arising from the misconduct of MANAGER's employees, servants or agents.

SCHEDULE "B"  
DIRECT EXPENSES OF OWNER

1. Real and personal property taxes of OWNER's property.
2. All claims, expenses and/or damages arising from, or caused by structural or design deficiencies or by improper work or supervision during construction including, without limitation, settlement, collapse or inadequacy of structure or equipment, and all repairs related thereto.
3. Debt service with respect to land, building and equipment.
4. Costs of legal and auditing fees of OWNER.
5. Salaries and wages of all employees of OWNER.
6. Costs incurred by OWNER in the supervision of obligations of MANAGER.
7. Costs of maintaining elevators, sprinkler and ventilation systems.
8. Utilities expense of the Parking Facility.
9. Capital expenditures, improvements, alterations, additions and all new equipment, including all architectural and engineering fees in connection therewith.
10. Cost of payroll and equipment of OWNER's security personnel.
11. Costs of premiums for fire and extended coverage insurance.
12. Normal maintenance and repairs of the Parking Facility including but not limited to, power sweeping, power washing, lighting repairs & bulb replacement, Fire Control System maintenance, snow removal, HVAC maintenance, repainting of stall markings, replacement or repair of signs and parking access and revenue control equipment.

SCHEDULE "C"  
ANNUAL OPERATING EXPENSES  
\*Paid on a monthly basis

OPERATING EXPENSES		
	\$/Year	% of Exp
Base Management Fee Expense	\$19,800	50.4%
Data Processing	\$531	1.4%
FICA	\$137	0.3%
FUTA	\$12	0.0%
Health Insurance & Expense - Hourly	\$0	0.0%
Liability Insurance	\$6,182	15.7%
Medicare	\$32	0.1%
Office Supplies	\$300	0.8%
Salaries & Wages	\$2,208	5.6%
Supervisory Fee	\$10,000	25.4%
SUTA	\$53	0.1%
Uniforms & Laundry	\$0	0.0%
Workers Compensation	\$51	0.1%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$39,306</b>	<b>100.0%</b>